

Housing Finance Agency

Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$4,710,634	\$5,797,461	23.1

The mission of the Housing Finance Agency (HFA) is to stimulate and expand homeownership and rental housing opportunities for low- and moderate-income families in Washington, D.C.

The District of Columbia Housing Finance Agency was established in 1979 as a corporate body with a legal existence separate from the government of the District. The HFA issues tax-exempt mortgage revenue bonds to lower the cost of financing single-family housing and the costs of acquiring, constructing, and rehabilitating rental housing. In addition, the HFA issues taxable bonds and four percent low income housing tax credits.

The agency plans to fulfill its mission by achieving the following strategic results goals:

- Solidify the HFA's investment niche by working closely and cooperatively with District residents, stakeholders, the Mayor, D.C. Council, and government agencies to determine how the HFA can most effectively use its resources to help leverage other City funding for developing neighborhoods.

- Finance those development projects within HFA's investment niche to preserve, rehabilitate and produce affordable housing for at-risk and very low to middle-income buyers.
- Ensure that HFA expands its creative financing products.
- Build greater capacity to assist our housing partners by enhancing our arsenal of affordable housing resources.
- Continue to operate at peak efficiency and effectiveness by strengthening our administrative systems and further developing staff skills.
- In FY 2003, increase the number of rental units from 1,688 to 3,337 of which 1,014 will be new construction or substantial rehabilitation of vacant units.
- Finance the purchase of approximately 500 homes.

Affordability goals for housing units in FY 2003 will be as follows:

- 35 percent for individuals with incomes at 60 percent of the Area Median Income (AMI).
- 35 percent for persons with incomes at 50 percent of AMI.
- 20 percent for persons at incomes at 30 percent of AMI.
- 10 percent for persons at market rate.

Did you know...

Mortgage loans to families in FY 2001	503
Multi-family tax-exempt bonds issued in FY 2001	\$84,000,000
Single family mortgage revenue bonds issued in FY 2001	\$61,300,000
Multi-family rental units construction/rehabilitation financed in FY 2001	1,688

Where the Money Comes From

Table HF0-1 shows the source(s) of funding for the Housing Finance Agency.

Table HF0-1

FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	*Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Other	0	0	4,711	5,797	1,087
Gross Funds	0	0	4,711	5,797	1,087

* Note: As of FY 2002, this agency was required to present their budget under the Budget Support Act. As a result, FY 2000 and FY 2001 data is not available.

How the Money is Allocated

Table HF0-2 shows the FY 2003 proposed budget for the agency the Comptroller Source Group level (Object Class level).

Table HF0-2

FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Regular Pay - Cont Full Time	0	0	0	3,162	3,162
Regular Pay - Other	0	0	0	113	113
Additional Gross Pay	0	0	0	181	181
Fringe Benefits - Curr Personnel	0	0	0	591	591
<i>Personal Services</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,048</i>	<i>4,048</i>
Supplies and Materials	0	0	0	90	90
Energy, Comm. and Bldg Rentals	0	0	0	86	86
Telephone, Telegraph, Telegram, Etc	0	0	0	35	35
Janitorial Services	0	0	0	61	61
Security Services	0	0	0	36	36
Other Services and Charges	0	0	0	626	626
Contractual Services - Other	0	0	0	68	68
Subsidies and Transfers	0	0	4,711	0	-4,711
Equipment & Equipment Rental	0	0	0	360	360
Debt Service	0	0	0	386	386
<i>Non-personal Services</i>	<i>0</i>	<i>0</i>	<i>4,711</i>	<i>1,750</i>	<i>-2,961</i>
Total Proposed Operating Budget	0	0	4,711	5,797	1,087

Other Funds

The proposed operating budget for the Housing Finance Agency is \$5,797,461, an increase of \$1,086,827, or 23.1 percent over the FY 2002 budget of \$4,710,634. In FY 2002, this agency's budget was considered a subsidy. For FY 2003, the budget is being treated as a District government agency with its funding distributed between the various personal and nonpersonal services Object Classes rather than in object class 60, subsidies and transfers. Fiscal Year 2002 personal and nonpersonal services numbers have been isolated strictly for historical and comparative purposes.

The variance includes an increase of \$355,122 in personal services, and \$731,705 in nonpersonal services.

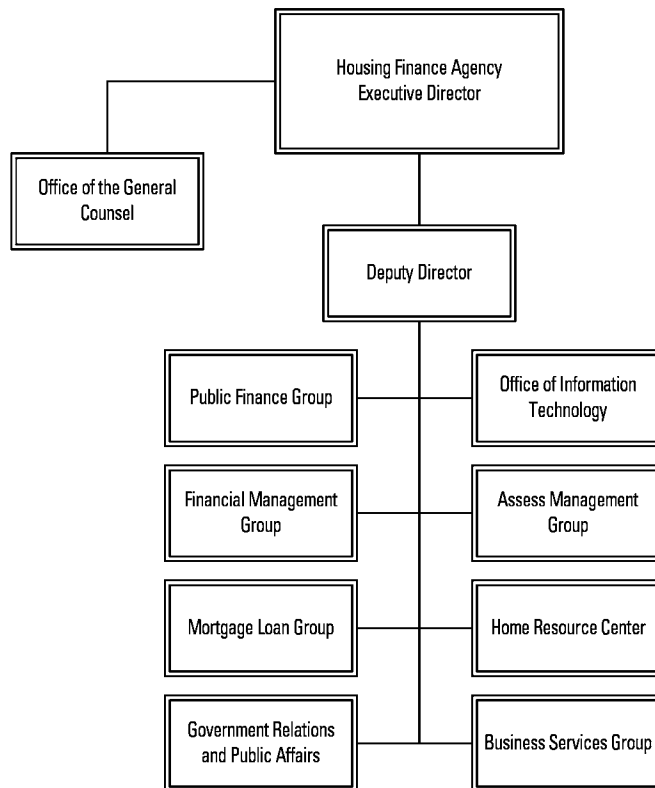
There are 52 FTEs supported by the proposed budget. Note: HFA employees do not come under the District's Merit Personnel System.

Significant changes are:

- An increase of \$355,122 to fund six new FTEs to meet workload requirements associated with existing HFA programs.
- An increase of \$731,705 to fund a build-out and expansion of the agency headquarters.

Figure HF0-1

Housing Finance Agency



Programs

The Housing Finance Agency operates the following programs:

Multi-Family Development

The HFA provides tax-exempt and taxable multi-family rental and co-op bond financing and tax credits. The HFA financed more than 1,600 units of affordable housing through loans, tax-exempt bonds and tax credits in FY 2001. The HFA issued \$84,000,000 in tax-exempt bonds for development projects totaling \$148,000,000. The HFA FY 2002 project pipeline now totals more than 25 projects, or approximately 3,495 units.

In FY 2001, the total amount of bonds issued increased approximately 16 percent. The HFA also issues taxable bonds to preserve its bond cap, and blending the low income tax credit to attract equity capital. The HFA currently has two funding rounds with deadlines of April 30, 2002, and October 30, 2002 to receive multifamily project applications.

In the first quarter of Fiscal Year 2002, the agency issued \$56,000,000 in tax-exempt and

taxable bonds, and the HFA's Board of Directors has already issued preliminary approval for \$244,000,000 in affordable housing projects. The Housing Finance Authority hopes to surpass this number in FY 2003.

Single Family Development

In FY 2003, the HFA expects to provide low cost mortgage funding to approximately 500 District homebuyers through its low rate and assisted rate Single Family Mortgage Program (which includes down-payment and closing cost assistance). Through its Home Resource Center, the HFA provides home-buying education and financial/credit counseling to approximately 3,000 people. Information is available on financing options, city and government home-buying assistance and incentives such as the \$5,000 tax credit, tax abatements, as well as other programs that help with closing costs.